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# China's Migrant Workers in the Wake of the Economic Crisis: Unemployed, Undeterred

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By Robert D. O'Brien

After growing at double-digit rates for most of the last three decades, the Chinese economy is now in jeopardy of failing to achieve the eight percent GDP expansion benchmark widely considered necessary for the government to stave off social unrest. Although a fairly insulated and underdeveloped financial market allowed the PRC to avoid the first order effects of the global financial crisis, the drying up of China's main export markets – the U.S., Europe, and Japan – has wreaked havoc on the manufacturing sector, leading to the unemployment of over 20 million migrant workers.

In the wake of the recent mass layoffs, there has been rampant speculation over the possible ramifications of such widespread unemployment for political stability. A multitude of scholars and journalists have written of a migrant class on the edge of revolt – jobless, landless, and growing increasingly desperate.[1] Relatively small, largely localized “mass incidents” (*quntixing shijian*) – 300 aggrieved migrant workers rioted in Guangdong, 1,000 commenced a march on Beijing from Hebei, and one man blew himself up in a northwest China government office – are widely cited as indicators of future unrest, possibly on a grander scale.[2] A careful analysis of the situation, however, leads one to question the soundness of any claims predicting an impending political crisis. Indeed, an examination of several critical factors, namely the ability of laid-off migrants to meet their basic needs, their reactions to getting laid off, their capacity to organize on a large-scale, and the government's response to the crisis, all show that it is highly unlikely that Chinese political stability will be seriously threatened by the country's migrant worker class.

## ***The Vast Majority of China's Migrant Workers Can Meet Their Basic Needs***

Western observers often view the plight of unemployed Chinese migrant workers in stark terms. The prevailing sentiment seems to be that laid-off migrants face many of the same challenges as recently unemployed workers in America – no source of income and no savings with bills to pay and debts accrued. Such a bleak outlook only worsens in severity when the weakness of China's social safety net is taken into consideration. The combination of the two, unemployment and China's weak social welfare system, leave many believing that the PRC's jobless migrant workers have no means of subsistence. This, however, is rarely the case.

While Chinese migrants may lose a significant source of income when laid-off, they are seldom left without a way to meet their needs. A high personal savings rate combined with the difficulty of procuring personal bank loans ensures that most unemployed migrant workers have both accumulated some capital and avoided significant debt. More importantly, they possess land, a dynamic and stable asset. The vast majority of Chinese migrant laborers are either the children of farmers or former farmers themselves. Though some have lost their plots to commercial development, corrupt officials, or environmental degradation, most still have land that they can farm when they lose their jobs in the city. A recent nationwide household survey conducted by the Chinese Bureau of Statistics confirms as much, finding that among unemployed migrants, only 6.6 percent do not have any farmland.[3] When coupled with any savings and a lack of debt, this land provides migrants with a means of subsistence in the face of unemployment.

Given the Chinese government's historic propensity to skew certain numbers – unemployment figures, cases of social unrest, etc. – in order to make the country's condition seem better than it actually is, there will doubtless be many who question the reliability of the Chinese Bureau of Statistics' survey results. While there is no way to independently confirm the findings' accuracy, the figures are lent credence by current Chinese governmental policy. In the wake of the recent mass lay-offs, the CCP has been “offering numerous subsidies for workers willing to leave the cities and go to rural areas.”[4] Some believe that the government's belief that a disaggregated migrant population is less likely to engage in social unrest has guided it in devising such incentives for migrant laborers to return home. As scholar Ray Yep points out in a recent Brookings commentary, though, relations between migrant

workers and local level officials are growing increasingly volatile, rendering this motive for the subsidies improbable.[5] It is more likely the case that the distribution of such subsidies indicates the Chinese government's confidence that, as the survey results indicate, migrant laborers can meet their needs in the countryside. If the Bureau of Statistics numbers are indeed inaccurate, then they are fooling not only the outside world, but also China's own government officials, a highly unlikely scenario.

### ***Migrant Workers are Looking to Find Jobs, Not Start a Revolution***

In recent months, numerous notable periodicals have published articles suggesting that mass lay-offs have led to a widespread sentiment of anger and frustration among China's migrant workers. One prominent example can be found in the Washington Post's ["In China, Despair Mounting Among Migrant Workers,"](#) which quoted one migrant laborer as saying "this is an unfair society" and noted that, as a whole, China's migrant workers "are becoming desperate." [6] There are undoubtedly some migrants who feel this way. Anecdotal evidence, however, along with a thorough understanding of the nature of migrant work reveals a migrant class whose sentiments are far from revolutionary.

As a Fulbright Scholar conducting researching in China this past year, I have interviewed numerous unemployed migrants living in areas such as Beijing, Shanghai, Guangdong, Suzhou, Nanchang, and rural Henan. Such interviews are striking in that they feature relatively few expressions of anger and desperation. On the contrary, the sentiments most frequently shared by the migrant workers are that a) the government is working to aid China's migrants and fix the economy, and b) that the downturn will not last long. Though this collection of reactions does not represent empirical evidence demonstrating that no migrant workers are enraged by their plight, it does speak to both the widespread nature of these benign sentiments and the importance of understanding the nature of job loss in the migrant worker's world.

Migrant work is, by nature, both transitory and nomadic. The disappearance and reappearance of jobs is part of the migrant worker's reality; one that rarely has a conspicuous underlying logic. While many migrant workers understand that the root of their latest job loss is the economic crisis, their reaction to being laid-off is not changed by the cause of their unemployment. In some extreme cases where corruption and/or fraud led to significant personal financial loss, migrants have engaged in small-scale, short-lived incidents of social unrest. The vast majority, however, have responded to their status as unemployed laborers by finding their bearings in the new economic climate and beginning to search for new work. For the migrant masses, their focus lies neither on their agitation in the wake of the mass-layoffs nor on how the government may have failed to protect them from the effects of the economic crisis. Rather, their efforts are zeroed in on finding a new job, just as they always are when work arrangements fall through.

### ***Migrants Cannot Organize to Incite Large-Scale Unrest***

Even if there did exist a widespread sense of anger and frustration among China's laid-off migrant workers, they are impotent to incite large-scale social unrest. In this regard, they are constrained by both their inability to organize themselves and the fact that no outside group can help them in the organization process.

The geographic distribution of migrant workers alone makes it difficult for them to organize in a way that could lead to collective political action. The waves of workers who returned home this last winter are now disparately located and unlikely to aggregate. Meanwhile, in the cities, where there remains a critical mass of migrant workers, the police and other public security officials are on high alert for potential social unrest, making organization a near impossibility.

Outside forces are also unable to organize the migrant class. In recent years, China has witnessed the proliferation of non-governmental organizations designed to aid and support its migrant workers. These members of China's adolescent civil society, however, recognize the fragile nature of their existence in the authoritarian PRC. Thus, in an effort to steer clear of any activities that could lead the state to shut them down, they focus on politically innocuous issues such as education and healthcare,

staying away from potentially dangerous tasks such as organizing workers and fostering political consciousness among them.

### ***The Chinese Government's Response to Migrant Unemployment***

The above analysis assumes that the government is a passive actor in this situation; that it is not implementing policies to address migrants' needs. The Chinese government, however, has been anything but passive in responding to the employment crisis. With the central authorities loudly announcing the need for programs to aid jobless migrants, provincial and local governments have launched numerous initiatives designed to ameliorate the concerns of the migrant laborers. Though such aid has come in several different forms, vocational training and entrepreneurship are the two most prominent, both having been endorsed by the powers that be as panaceas to the problem of mass unemployment.

In recent months, Xinhua has repeatedly published articles lauding the importance of vocational education. The titles speak for themselves: "[Skills Training Key to Future for China's Jobless Migrants](#)," "[Vocational Education to Help Laid-off Chinese Workers Find Jobs](#)," and "[Skill Training: A Way to Bail Out Migrant Workers](#)." The National Development and Reform Commission has followed suit, announcing that a "special program" will be created to increase vocational training for migrant workers in 2009 and 2010.[7] For its part, the Ministry of Education made such promises a little more concrete, stating that vocational schools would enroll 8.6 million new students this year, 500,000 more than in 2008.[8] With the central government leading the push to educate migrants in vocational schools, several provinces have pledged to expand their training institutes. Sichuan has made \$11 million in training vouchers available, Guangxi has allocated \$35 million to the cause of providing free training to migrant workers, and Anhui has promised to educate at least 50,000 migrant workers this year.[9]

Entrepreneurship, too, has been championed as a solution to migrant woes. The government's belief that laid-off workers are returning home with practical experience, skills, and capital drives their efforts to convert unemployed migrants into entrepreneurs. In articles such as "[Migrant Workers Try Hand at Entrepreneurship in Hometowns](#)," the state-controlled media celebrates migrants-turned-entrepreneurs, encourages more migrants to make the switch, and calls for local governments to support migrants in such endeavors. Several provinces have rallied to the central government's battle cry, initiating programs aimed at inspiring migrant workers to consider starting their own enterprises. Henan has pledged \$220 million in small loans for peasants to start small businesses. In the same vein, Hunan and Shandong have promised that farmers who start businesses will enjoy tax or fee exemptions for three years.[10]

Though vocational training and entrepreneurship have dominated government efforts to aid migrant workers, some less orthodox methods are also being implemented. At the national level, China Education Television is opening a new channel to offer vocational training and educational services to the masses, with some segments designed explicitly for migrant laborers. Locally, one Zhejiang county is subsidizing migrants' purchases of tea processing machines and teaching them how to grow tea leaves, while a Jiangxi county is encouraging unemployed migrants to turn to forestry by giving out free tree seeds.[11]

Should these proactive policies not mollify the aggrieved migrant workers, China is counting on its security forces to quell any potential uprisings. In late February, more than 3,000 public security directors gathered in Beijing to "learn how to neutralize rallies and strikes before they blossom into so-called mass incidents." [12] In addition, several prominent Chinese publications, including Outlook (*liaowang*), a weekly newsmagazine put out by Xinhua, have warned officials to be prepared to combat social unrest.

On their own, government efforts to aid migrants and stave off social unrest would likely be sufficient to ensure political stability in the PRC. When combined with the ability of migrants to meet their basic needs, their general lack of angst and desperation, and their inability to organize in any meaningful way, the CCP's handling of the situation renders the prospect of China's migrant laborers seriously threatening social stability extremely remote.

## ***China's Migrant Workers Will Inspire, Not Challenge, Future Development***

China's migrant laborers have been the heroes of their country's long drive toward modernization and will play an integral role in any future development. As a result, any assessments of the PRC's economic and political trajectory must include an evaluation of the dynamics of China's migrant labor class. Incomplete examinations of the welfare, sentiments, and abilities of China's migrants have led many to conclude that they may derail their country's march forward. A more thorough examination, however, indicates otherwise.

Though China's migrant workers have undoubtedly been hit hard by the global economic crisis, they seem poised to trudge through their hardships rather than incite large-scale social unrest. The challenges posed by the economic downturn may have left them momentarily wounded, but they appear undeterred in their quest for ever-greater prosperity.

*Robert D. O'Brien is a graduate of George Washington University and a current Fulbright Scholar in the People's Republic of China.*

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- [12] Andrew Jacobs. "China Fears Tremors as Jobs Vanish From Coast." New York Times. February 22, 2009.

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